

Fortune Minerals Public Hearing Socio-Economic Presentation

Thycho Ndeek'awoo



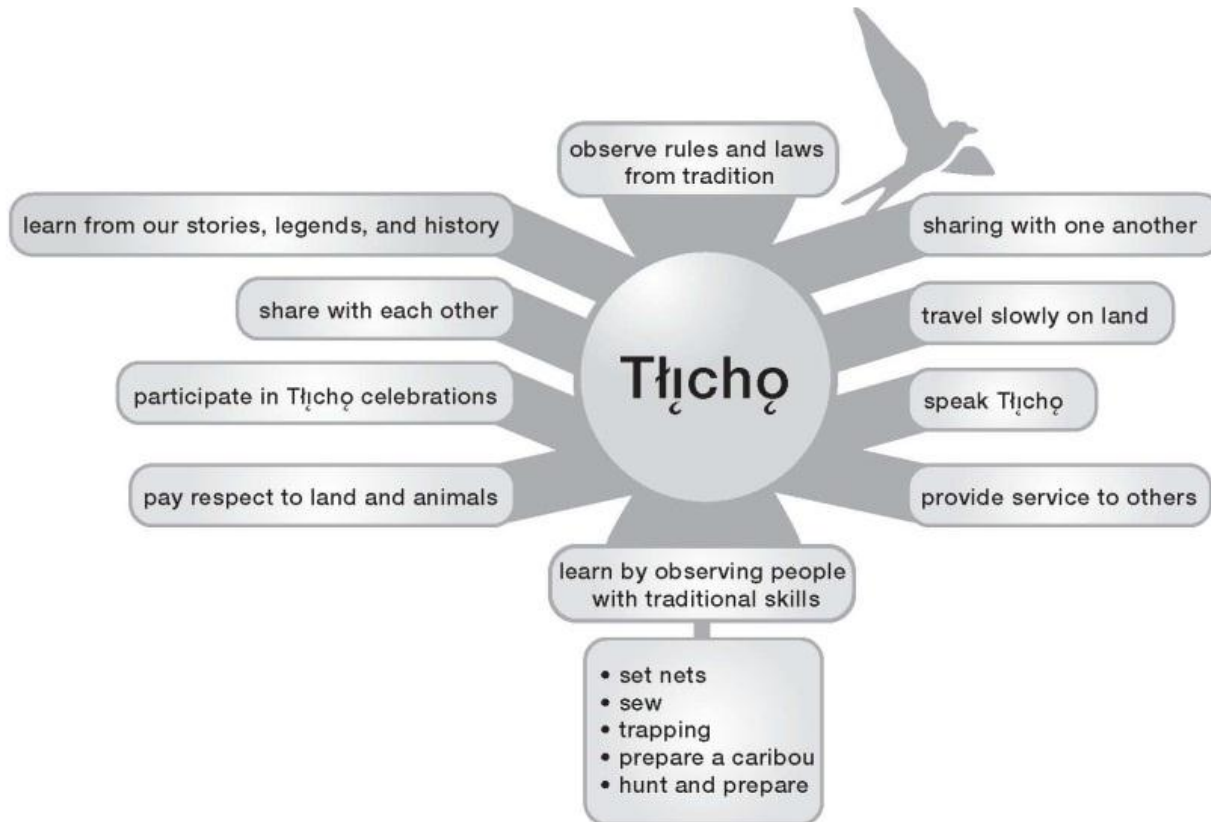
Thycho Government

Overview



1. Weaknesses/Gaps in Fortune's SEIA
2. Training, Employment, and Procurement
3. Effects on Tłıchǫ Government Revenues and Expenditures
4. Effects on In- and Out-Migration in Tłıchǫ Region
5. Impacts of the Use of the Required New Roads

What Matters Most: Living Daily as Tłıchǫ



Weaknesses in Fortune's Socio-economic assessment



- Standard Western baseline socio-economic indicators, not Tłıchǫ socio-economic and cultural indices
- Project deemed “small” – this is in error in context of Tłıchǫ region
- Virtually no Tłıchǫ inputs
- Several MVEIRB requirements ignored by company . For example, two key issues not dealt with are:
 - New roads and their use – project specific and cumulative
 - Tłıchǫ employment and procurement – maximizing economic gains

Rejection of Tlicho Socio-Economic



Tłıchǫ Request	Fortune Response
Report on progress on commitments and undertakings from Technical Session	No because the company met with the GNWT
Clarify commitments/goals/targets for Tłıchǫ hiring and business and likely actual percentages of Tłıchǫ hiring and business	No further discussion. Commitments regarding jobs, training and business “cannot realistically be made.”
Provide the results of previously committed to Tłıchǫ workforce evaluation study	No further discussion. No workforce evaluation completed. “Fortune cannot predict or plan with any certainty jobs and business opportunities for Tłıchǫ
Provide evidence of consultation with Community Development Officers on employment issues	Decline
Conduct a credible scenario of in and out migration	Agreed but never completed

Engagement

- Tłıchǫ Government asked for specific commitments and undertakings most of which have not been done
- Developer met with GNWT and appears to believe such meetings adequately deals with Tłıchǫ Government issues

Major Gaps – Socio-economic



- Road use assessment weak
- No labour pool analysis and thereby no credible estimates of Tl̨ich̨o employment levels in Project
- No analysis of revenue and expenditure effects on Tl̨ich̨o Government
- Lack of assessment of mobility effects on Tl̨ich̨o citizens
- Lack of assessment of pressures on physical and social services, especially in Whati
- Mitigation and monitoring commitments are weak

Gap: Training, Employment,



- Little use of lessons learned from other mines
- Hiring targets – 60 to 80% northern and 30 to 50% of that Aboriginal. No Tłchq estimate
- No labour force analysis evident, despite commitment at technical sessions
- Guesswork with low credibility

Procurement: Tłıchq businesses



- Good engagement with Tłıchq Investment Corporation
- No procurement targets
- Supply Chain Management Purchasing Policy:
 - No preference to northern business
 - No sole sourcing
 - No price matching
 - No breaking up of contracts
 - No requirement for non-local businesses to hire locally or engage northern business

Tł̄chq̄ Government: Revenues and Expenditures



- Very low commitments or low achievement of targets could lead to very low taxation for the Tł̄chq̄ Government

Impact: Social Services and Infrastructure



- Developer provides no credible evidence that the mine would not increase social services (child protection, income support, housing) delivered by GNWT through the Tłıchǫ Community Services Agency, and through the Tłıchǫ Government

Tłıchq Mobility Patterns: In- and Out-migration



- In- and out-migration assessment is not compelling
- People move to Whati and its infrastructure and social services are not able to adapt.
 - No proper evidence brought forward
 - No meetings coordinated despite requests
- Even 10 families moving to Whati would have serious impacts on the community
- The company has given no evidence that they have given this substantial consideration
- GNWT has not considered this either.

Impacts of the Use of New Roads



- Developer provides little detail on use of all-season road to Whati
- At very least new roads need to be assessed for project-specific and cumulative effects on:
 - Public safety
 - Wildlife disturbance
 - In- and out-migration
 - Community cohesion and social issues

Concerns of Tłıchǫ Citizens



- This information not sought
- Tłıchǫ Government engagement with its citizens, and TLU Study, has identified:
 - Strong concerns about downstream water quality
 - Strong concerns about additional cumulative effects in combination with Rayrock
 - Strong concerns related to caribou movement and disturbance in this key migratory path
 - Lack of faith that benefits outweigh risks
 - Strong connection to Hislop Lake area and Marian River *adi edee ts'eda dile*

Summary



- Adi edee t'seda dile is socially, economically and culturally important to Tłıchǫ
- All Tłıchǫ communities and citizens could be impacted by the Project, across many aspects of the lived experience
- Significant public concern about the mine is evident
- **The answers provided to date are not adequate to make informed decisions on whether the economic benefits on offer come close to overcoming the currently unacceptable risk to the environment**

Mitigation



- Tłıchǫ Government will require mitigation to protect or enhance
 - Whati infrastructure, health, social services from GNWT
 - Maximize employment and business opportunities
 - Maximize training and education
 - Tłıchǫ management of social, economic, cultural risks
- Mitigations are inadequate and discussion premature until ...

Remaining Questions



the Tłıchǫ Government consistently asking these questions over the last year, we still don't know":

- How extensively would Tłıchǫ citizens benefit from this Project – jobs, business, training?
- How much revenue and costs to Tłıchǫ Government would come from this Project?
- How many people likely to move from community to community as a result of this Project?
- How would the community of Whati change, for better and for worse?
- What effects would use of the required all-season roads have on Tłıchǫ citizens?
- What degree of impact would be seen on traditional resources – water, wildlife and plants?
- Is it worth it to the Tłıchǫ citizens? Does the benefit offset the risks?